

Tax Cuts Are Key Element in Reagan Program

Analysis—from page 1

Because it is widely recognized that a primary reason for our declining productivity is aging industrial plants and machinery, the relief sought for business is least contested.

Other aspects of the plan are controversial. Here is an analysis of the major elements of the Reagan economic program:

INDIVIDUAL TAX CUTS

The president is recommending reductions of 10 percent in individual income-tax rates over each of the next three years—the 10-10-10 proposal.

Those cuts would directly benefit small businesses because 90 percent of them file income-tax returns as individuals, not corporations. Because two-thirds of all new jobs in the private sector are created by firms with fewer than 20 employees, tax relief for small business would stimulate employment.

While critics charge that individual tax cuts will mean higher budget deficits, fuel inflation and fall unfairly on the poor, recent history has proved otherwise.

Previous tax reductions have been followed by booming business, creation of new jobs, increased investment by the wealthy in productive enterprises, with government receiving more tax revenues from the resurging economy than it had before the tax relief.

The claim that the proposed cuts would discriminate against the poor fails to recognize that lower-income people historically have benefited most from supply-oriented tax relief because they have the most to gain from the newly created job opportunities.

And the 10-10-10 approach would reduce all rates by the same percentage, with no discrimination against any taxpayers.

It is also important to remember that wage-earners in the upper half of the income distribution pay 93 percent of all taxes.

The claim that tax cuts would be inflationary is based on the erroneous assumption that a tax cut creates more money. It does not. It simply transfers money from the government to the people, where it can be put to more productive use. Once tax rates are lowered, people will have incentive to create more goods and services, lowering inflation.

TAX RELIEF FOR BUSINESS

The relief sought for business is least contested, because it is widely recognized that a primary reason for declining productivity is aging industrial plants and machinery. The president has proposed an Accelerated Cost Recovery System that would enable business to recover capital costs more quickly, thereby encouraging greater investment in new and modernized

plants and machines, boosting American productivity, output and competitiveness in world markets.

The proposed relief would be of tremendous benefit to small business. At present, 99.6 percent of small firms do not write off their assets under the system which contains more than 100 categories and imposes many formal accounting and record-keeping requirements.

When all business can recover investments in capital assets at the same rate and under the same system, small business will be able to compete on a fairer basis.

SPENDING REDUCTIONS

Federal revenues are equal to 23 percent of the gross national product, compared with 16 percent in the early 1960s. Government demands on scarce capital, labor and resources leaves an insufficient amount for the private sector. Private initiative, job creation and productivity are hurt.

Reducing federal competition with citizens and businesses for scarce resources is a major reason for reducing government spending.

President Reagan is seeking to slow the rate of growth of public spending, not bring about actual reductions from current levels. While he is asking a cut of \$49 billion in the fiscal 1982 budget proposed by former President Carter, the spending level still would go up \$41 billion over this year. Even with the proposed cuts, the deficit during the next three years is expected to be \$122 billion.

At the same time, the president has gone

to great lengths to preserve the "social safety net" to assure no lessening of aid to the truly needy. He has targeted for reduction only those programs that have become inflated far beyond their original goals and provide subsidies to millions of people who don't really need them.

All cuts in social programs have been plotted carefully to "trim the fat" without depriving the truly needy of assistance.

In addition to lessening inflation and restoring rapid economic growth, the administration's budget will force federal agencies to trim out the fat from their budgets and take strong action against waste, fraud and mismanagement. Likewise many programs and bureaus, which have outlived their usefulness or failed in their mission, will be abolished.



IQ of 145 and Can't Remember?

In just 15 to 30 minutes a day at home you can substantially improve your memory.

Don Bolander, B.S., M.A., Litt.D.,
Director of the Memory Training Institute

"You have intelligence! You have ability! You have ambition! But, if your ability to remember names, facts, figures, faces and places isn't equal to your intelligence, you will be held back in your business and social life," says Don Bolander, Director of the Memory Training Institute.

Whether you are an executive, doctor, teacher, engineer, lawyer, student, musician, controller, salesman, chemist or whatever, think of what it would mean to you if you could recall instantly hundreds of facts and figures that pertain to your work. But let's go further:

WHAT WOULD IT MEAN TO YOU IF YOU COULD...

- Instantly recall articles, reports, books, that you read weeks, months, or even years ago and could quote verbatim sections from that material?

- Instantly recall jokes, stories, anecdotes, things you read or hear, names and faces of people you have met only once?

- Instantly recall financial figures, prices, costs, inventory codes, treatments, legal cases, formulas or whatever detail is important to you, details that facilitate your work but at the same time impress and influence other people?

- Learn to remember a deck of cards in whatever order you want, what cards have been played, what cards your opponents are holding, and what plays will gain you the greatest benefit?

- Never again forget an appointment, birthday or other date, phone number or address.
- Learn a foreign language or the words and music of a song with amazing speed?

- Memorize a long speech and be able to deliver it without notes just the way you wrote it or after reading it only once?

DEVELOP YOUR MEMORY POWER

Yes, unbelievable as it may seem, you can substantially increase your memory power and do all of the things listed above—quickly and easily at home. You can do so through the most fascinating, compelling, and remarkable program in memory development ever offered.

The program was originally developed by Dr. Bruno Furst, perhaps the greatest memory expert in America—and even the world. His program has been taught as a course in classroom sessions to thousands of men and women.

But now the program is available to you for use in your own home. Or you can carry

one of the handy booklets with you, and absorb the proven techniques as you ride the plane, train or bus.

By spending 15 to 30 minutes a day, or an hour or two a week, you can quickly develop the kind of memory power that will enable you to move ahead fast in your chosen work. Through the simple yet highly effective techniques presented in the program, you will soon be able to dominate almost any situation by your ability to remember. In a sense, you will have a computerized memory bank in your head.

The benefits of the program are real. When you have the ability to quickly and accurately quote facts, figures, costs, sources of information, statements of others, you gain new respect and influence. You are looked to as a person with great knowledge, education and ability. You are looked to as a leader.

INSTANT QUOTATION DICTIONARY INCLUDED FREE

Included with your Memory Training Program will be a free copy of the *Instant Quotation Dictionary* containing 4,800 quotations on 600 subjects. Yours to keep even if you return the program.

10-DAY FREE TRIAL WITH MONEY BACK GUARANTEE

Results are so dramatic, the Memory Institute will make the complete program available to you with an equally dramatic FREE trial and guarantee. Under the terms of this unusual offer, you can test the program for 10 days. Unless you are pleased and satisfied in every way, unless you see immediate results, just return the program for a full refund of your payment. If you wish, you may charge the program to your credit card. There's no obligation, and the *Instant Quotation Dictionary* is yours to keep whether you return the program or not.

What Others Say

So far, I have progressed only through Session 5, but the course has already surpassed my expectations. —F. Martin, Lemore, CA

The number system is unbelievable—and it works! The course is easy to understand and really does everything you said it would.

—Mrs. W. Kutscher, Cape Girardeau, MO

Utilize the principles in every phase of my work. My busy day has been made easier through this program. Thanks for the opportunity.

—J. P. Hamby, Lubbock, TX

I strongly recommend it to anyone, whether or not they think they already have a good memory.

—J. L. Shumway, Tempe, AZ

Memory Institute, 62 Eastview Ave., Pleasantville, N.Y. 10570, Dept. 000-000

MAIL COUPON FOR 10-DAY FREE TRIAL

Memory Institute, 62 Eastview Ave., Pleasantville, N.Y. 10570, Dept. 229-041

Send me postpaid for 10 days free examination the complete *Memory Training Program*. Unless pleased and satisfied in every way, I may return the program at the end of the approval period for a full refund of my payment.

Payment in full enclosed—\$39.95. New York residents add 5% Sales Tax.

Charge my credit card:

Visa Mastercard American Express Diners Club Carte Blanche

Card Number

Expiration Date

For credit card orders, Call (800) 228-2029 any day, any hour

Name

Address

City

State

Zip

Signature

Note: In most cases, the entire cost of your Memory Training Program is tax deductible. Also, many companies and government agencies have a tuition reimbursement plan. Check with your Training Director.

Tax Panel To Consider Bill on Foreign Income

Legislative proposals for modifying tax treatment of foreign-earned income will be heard by the Taxation and Debt Management Subcommittee later this week.

Noting that just over a year ago the panel received testimony favoring the issue, panel chairman Bob Packwood suggested that it would be helpful to receive testimony addressing the impact of current law on the ability of United States nationals to compete in overseas markets with foreign nationals. Also, Packwood will investigate the impact of current law on total U.S. exports and on U.S. employment generated by exports.

The proposals to be discussed include an annual exclusion for foreign-earned income of \$50,000 plus one-half of the next \$50,000; tax exemption of all foreign-earned income of certain individuals; and an 80 percent across-the-board exemption of all foreign-earned income.